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## **Speech**

**by the President of the European  
Parliament**

**Hans-Gert Pöttering**

**at the meeting of the**

**European Council**

*Brussels, Thursday, 19 March 2009*

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President of the European Council, Mirek Topolánek,  
Heads of State and Government,  
President of the Commission, José Manuel Durão Barroso,  
High Representative for the Common Foreign and Security Policy, Javier Solana  
Ministers,

### **Financial market stability**

Despite the provision since last autumn of massive guarantees and refinancing to stabilise the European financial markets, confidence in the banking system is still low and access to credit highly restricted.

We must not allow the economic downturn and the financial market crisis to feed off one another. In addition to introducing short-term safeguards, we must therefore close the supervisory and regulatory loopholes in the financial sector and address the task of restructuring financial markets worldwide.

To that end, prompt agreement is needed on the proposals which have already been put forward. The European Parliament has acted quickly and responsibly with a view to adopting its standpoint on credit rating agencies, the capital reserve requirements for banks and Solvency II by the end of April.

Negotiations between the Council and Parliament are taking place at the moment.

If the agreement the Council also wants on the issue of the credit rating agencies and capital reserve requirements for banks is to be achieved, however, the European Parliament needs the Council to make certain concessions, for example with a view to giving a future European supervisory authority a more powerful role.

A more coherent approach to the task of determining the structure and remit of the supervisory bodies would also be welcome.

In a European internal market, supervision of the financial markets, which, like other sectors of the economy, operate across borders, must also be based on a European approach. We need to get away from the idea of purely national supervisory arrangements. For supervisory rules, we need European solutions - we cannot simply rely on international ones.

The report submitted last month by the de Larosière Group represents a sound first step, a foundation on which we can build. However, we need to ask ourselves whether perhaps an even greater degree of honesty is not required. We are also grateful to the European

Commission for its prompt submission of a first communication on implementing the group's proposals.

However, the European Parliament is now looking to the Commission to put forward soon further legislative proposals for a comprehensive reform of the supervisory system and a more precise timetable which also takes account of the new proposals concerning prompt decision-making in conjunction with the European Parliament.

Above all, the European Central Bank has gained a reputation as a highly trustworthy body, and that reputation should be duly taken into account when European supervisory rules are drawn up.

#### Heads of State and Government

The European Union needs a regulatory policy consistent with the principles of the social market economy. But that is not enough: we must also do everything in our power to secure acceptance for our European standards at international level.

It is of great urgency that the G20 Summit to be held in London on 2 April 2009 reaches agreement on the implementation of the 47-point action plan which was adopted in Washington.

However, the G20 Summit should not focus solely on the short-term response to the crisis set out in the action plan, but instead work towards securing an international agreement on the long-term measures required and a precise timetable for their implementation.

It is in our own interests that we should continue to play a pioneering role in the work of reshaping the supervision of financial markets, so that European approaches come to be recognised as international standards.

We are delighted that Prime Minister Gordon Brown will discuss these questions with the European Parliament in Strasbourg next Tuesday.

#### **Overcoming the economic crisis**

Mr President of the European Council,  
Heads of State and Government,

The serious disruption suffered by global financial markets has developed into a world economic crisis. The world economic downturn has now made joint efforts to revive the European economy, create jobs and safeguard our future competitiveness an urgent necessity.

The budgetary and monetary problems which some European Union Member States are now facing are starting to make the common currency, the euro, look very attractive to countries outside the eurozone. However, in the context of a possible expansion of the eurozone compliance with the stability criteria must remain a priority.

In the short term our main goal must be to keep credit flowing to businesses, in order to counter any cutbacks in investment and the resulting increase in unemployment.

This will only be possible if confidence in the markets is restored by the European Council reaching agreement today on a joint approach to the problem of toxic assets.

But jobs will not be saved by creating barriers to foreign competition!

Indeed, the reverse is true: it is not markets shielded from competition, not protectionism, but rather open markets, both in the European Union and throughout the world, which will help our firms survive the crisis.

The members of the national parliaments of the EU Member States who attended the Joint Parliamentary Meeting held at the European Parliament last month also emphasised this in the strongest possible terms.

A functioning European internal market is and will remain a prerequisite for the global competitiveness of the European Union.

Heads of State and Government,

This is why we must make sure that the short- and medium-term measures taken to deal with the current problems are consistent with the long-term adjustments required in the European Union. Together we must implement the reforms needed to keep pace with structural change.

Investment in tomorrow's growth industries, above all in new environmental technologies and alternative forms of energy and in communication and information technologies, are part of the answer. They offer ways out of the economic crisis and, at the same time, can help us safeguard tomorrow's growth, tomorrow's competitiveness and tomorrow's jobs.

But only if we also invest more resources in education and training can we ensure that people are properly prepared for the changes to come.

We cannot put off these urgent structural reforms any longer. We must have the courage to look beyond the purely short term and make the crisis into an opportunity.

Heads of State and Government,

Recognising this fact, as part of its economic recovery programme put forward in 2008 the European Commission drew up proposals on the funding of strategic broadband and energy projects with the aim both of stimulating the economy and providing investment in the technologies of tomorrow.

The European Parliament, which has a say in this matter, must be in a position to give its approval to both the programme and funding arrangements at the latest at the May part-session.

In view of the urgency we expect that the Heads of State and Government can now put aside national interests and quickly reach agreement on a workable list of projects so that the discussions with the European Parliament can begin and be completed in good time.

But strategic investments of this kind will only boost the economy if the resources required are made available quickly.

The fact that developing new technologies would also contribute to energy security and to the fight against climate change merely serves to emphasise its importance.

### **Climate change and energy**

Heads of State and Government,

The gas crisis in January this year once again brought home to us just how dependent the European Union is on energy imports.

One task stands out as having priority, therefore: we must diversify our energy supplies, by diversifying the suppliers, by diversifying the supply routes, and by encouraging the use of renewable energies and the development of new environmental technologies.

At the same time, we must make sure that the work of shaping an effective external energy policy goes hand in hand with the rapid completion of the internal energy market. Developing energy infrastructures in Europe and guaranteeing greater transparency in the wholesale energy trading sector will have a decisive bearing on that process.

The European Parliament welcomes the progress which has been made in the current negotiations on the third package of proposals concerning the internal energy market.

However, a balanced compromise in the electricity sector is needed if agreement on the package as a whole - which everyone wants to see - is to be achieved before the end of the current parliamentary term.

Heads of State and Government,

In the context of the need to safeguard energy supplies and economic growth, the imperative of combating climate change should be seen not as a burden, but rather as an additional incentive to prepare our economy quickly for the third industrial revolution - particularly in view of the major growth opportunities and competitive advantages which are at stake.

By adopting the energy and environment package in December 2008, we have already taken a vital step forward in the fight against climate change. What is more, the European Parliament recently put forward a strategy for the European Union designed to help us meet the objective of achieving a comprehensive agreement in Copenhagen.

However, time is running out. Ladies and gentlemen, the Copenhagen international conference will take place in December. In other words, we have just over nine months in which to prepare the ground for a comprehensive, binding agreement.

However, we are no longer fighting this battle alone: the fact that the new American President, Barack Obama, has stated clearly that he intends to take a determined approach to combating climate change offers us a great opportunity.

We in the European Union should be proud that we are taking a leading role in the fight to protect our climate.

During her visit to the European Parliament two weeks ago, the US Secretary of State, Hilary Clinton, not only emphasised the need to devise global solutions in time for the Copenhagen Summit, but also described the European emissions trading system as an example for the whole world.

At the December 2008 Summit, in adopting the climate package, the Member States committed themselves to devising solutions to the problem of how to make more resources available for funding and investment to help us fight climate change, both in the European Union and in the developing countries.

Looking ahead to the Copenhagen climate conference, you know that it is both essential and in our own interests that the requisite funding should be made available now.

As a matter of urgency, and in preparation for the Copenhagen negotiations, the European Commission should be given the task of drawing up a comprehensive action plan, supported by reliable statistics, on the funding of climate change policy.

### **Eastern Partnership**

Heads of State and Government,

The most recent gas crisis involving Russia and Ukraine and last summer's conflict in Georgia made it clear that we are right to be concerned about security on the European continent.

We regard closer relations with the countries of eastern Europe, under the Eastern Partnership Initiative, as being of vital political, economic and strategic importance.

We in the European Union have a great responsibility to foster democracy, stability and prosperity in our neighbouring countries to the East.

Even prior to today's formal endorsement of the Eastern Partnership, the European Parliament decided to support and build on the Commission initiative by endowing it with a parliamentary dimension.

From the start of the European Parliament's seventh parliamentary term, a Parliamentary Assembly for Relations with the Countries of the Eastern Neighbourhood will address matters of mutual interest, such as democracy, sound governance and stability, economic integration, energy security and interaction between people.

The European Parliament will be actively involved in the official ceremony announcing the launch of the neighbourhood policy with the six eastern partner countries to be held on 7 May 2009 in Prague.

## **Lisbon Treaty**

President of the European Council,  
Heads of State and Government,

Over the past year the European Union has been challenged as it rarely has been before. Every day the cost of our failure to bring the Lisbon Treaty into force is brought home to us once again.

The European Parliament welcomes the decision taken by the Czech Chamber of Deputies in February to ratify the Lisbon Treaty. We also acknowledge the resolve of the Czech Council Presidency to contribute to the success of the new Treaty.

We are convinced that the Czech Senate will also recognise its responsibility towards the Czech Republic and towards the European Union as a whole and play its part in the prompt completion of the ratification process.

Taoiseach Brian Cowen, you will give us your report on the stage reached in Ireland's debate on the Lisbon Treaty and on the legal clarifications which your country is seeking.

The European Parliament is looking to the European Council to reach agreement on the substance of those clarifications at the Summit to be held in June 2009.

What we need in this difficult situation is a clear timetable. On 14 July the newly-elected European Parliament will hold its constitutive part-session.

No matter what, we want that the election of the President of the Commission takes place on 15 July 2009. This election must reflect the outcome of the European elections. For this to happen, consultations between the Council Presidency and the European Parliament will be necessary.

This consultation procedure need not be exclusively related to the choice of person for Commission President, but must also include upcoming legal, political and personnel questions.

Parliament would be willing to conduct them after the elections and before the June meeting of the European Council. We must also make arrangements to ensure that the new Commission can still take office this year.

The European Parliament is prepared to meet the legitimate interests of Ireland and its citizens. I am confident that, working together with Ireland, a solution acceptable to everyone can be found by June.

Thank you for your attention.